Project cost and VGF was approved in the 18th Meeting of the Empowered Institution held on July 2, 2009. The 'in principle' approval was granted for Viability Gap Funding for above projects amounting to Rs. 45.16 crore; Rs.47.52 crores; and Rs 49.10 crores respectively.

Relief packages for employment generation

†2808. SHRI RAJIV PRATAP RUDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that benefits of relief packages provided for employment generation by Government in times of recession, did not reach smaller towns;

(b) if so, the details thereof;

(c) whether Government is planning to further continue the relief packages; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) To obviate the negative impact of the global economic events on the Indian economy in 2008-09, a number of steps were taken, which included monetary measures of the RBI and the expansionary fiscal policy of the Government, besides the enhancement in outlays to the National Employment Guarantee Scheme (NREGS). These were supplemented by sector specific credit measures for exports, housing micro and small enterprises and infrastructure. Specific information on the impact of relief packages provided for employment generation on smaller towns is not available. As the measures announced by Reserve Bank of India and fiscal initiatives of Government encompass several sectors with different timelines for impact, precise assessment of the impact of these measures is difficult. However, as per the latest Report on effect of slowdown on employment in India based upon quick employment survey carried out by Labour Bureau under the Ministry of Labour and Employment on 2873 units covering 21 centres spread across eleven States/UTs, the employment has increased by about 5 lakhs during July-September, 2009 over June, 2009. All sectors excluding leather out of the eight major sectors surveyed *viz.* textiles, leather, metal, automobiles, gems and jewellery, transport, IT/BPO and handloom/powerloom have registered an increase in employment during this period. During the previous quarter of April-June, 2009 the employment had declined by 1.31 lakhs.

(c) and (d) While changes in the monetary policy are taken by the Reserve Bank of India depending on the emerging situation, the Government has already indicated that the fiscal stimulus measures would continue during the current fiscal 2009-10. However, calibrating policies with due regard to emerging economic situation is a continuous process.

Cutting subsidies on fertilizer and petroleum products

2809. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether there is any proposal to cut subsidies on fertilizer and petroleum products;

(b) if so, the details thereof;

(c) whether any study had been conducted on the impact of cutting subsidies;

(d) if not, whether any steps will be taken for the same; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) Having regard to the needs of poorer sections, the levels of prices and the subsidy outgo, some specific announcements relating to major budgetary subsidies were indicated in the Budget for 2009-10, which included the intention to move towards a nutrient based fertilizer subsidy regime and the intention of the Government to set up an expert group to advise on a viable and sustainable system of pricing of petroleum products. The above has not yet been operationalised. Based on the study by National Institute of Public Finance and Policy (NIPFP), a report 'Central Government Subsidies in India' outlining some policy issues for rationalization and targeting of subsidies was presented to Parliament on December 23, 2004.

Lending procedure by MFIs

2810. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) whether the lending procedure adopted by Government is leading to the consolidation of Micro Finance Institutes (MFIs);

(b) what is the extent of MFI lending capacities after introduction of the policy;

(c) the details of MFI lending, institution-wise and State-wise; and

(d) whether Government is considering any plans to synchronize the Self-Help Groups (SHGs) and MFIs in order to see that there will be proper flow of institutionalized credit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) Micro Finance Institutions (MFIs) (Trusts, Societies, Co-op. Societies) barring Non Banking Financial Companies (NBFC)-MFIs and not for profit Sec. 25 companies registered under the Companies Act 1956, are governed by respective Acts under which they are formed. Only NBFC- MFIs and not for profit Sec. 25 companies registered under Companies Act 1956 fall under the purview of the Reserve Bank of India (RBI).

As per the existing instructions issued by RBI to banks on micro-finance, the interest rate applicable to loans given by banks to micro-credit organizations, or by the micro-credit organizations to Self Help Groups/member beneficiaries would be left to the discretion of the concerned bank.

National Bank for Agriculture and Rural Development (NABARD) has compiled information on the Agency-wise (Commercial Banks, Regional Rural Banks, Co-op. Banks) bank loans